

## Message Text

UNCLASSIFIED

PAGE 01 MANILA 11114 01 OF 02 302159Z  
ACTION TRSE-00

INFO OCT-01 EA-12 ISO-00 NEA-11 IO-14 H-02 L-03 PA-02  
AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-10  
NSAE-00 ICA-20 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01  
OMB-01 NSC-05 SS-15 STR-07 CEA-01 OES-07 INT-05  
AGR-01 /148 W

-----116721 010014Z /64

R 301124Z JUN 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 7935  
INFO AMEMBASSY JAKARTA  
AMCONSUL MEDAN

UNCLAS SECTION 01 OF 02 MANILA 11114

USADB

FOR NAC AGENCIES

EO 11652:NA  
TAGS: EAID, EFIN, ADB ID  
SUBJECT: ADB TECHNICAL ASSISTANCE TO INDONESIA FOR SUMATRA  
FISHERIES DEVELOPMENT PROJECT

SUMMARY: ADB PRESIDENT HAS APPROVED 98,000 DOLLARS EQUIVA-  
LENT GRANT TO FINANCE PART OF FOREX COST OF TECHNICAL  
ASSISTANCE TO INDONESIA FOR A FISHERY SECTOR STUDY AND FOR  
PREPARING A HIGH PRIORITY INTEGRATED FISHERIES DEVELOPMENT  
PROJECT. UNDER A COST-SHARING ARRANGEMENT, THE FAO HAS  
AGREED TO FINANCE 87,000 DOLLARS EQUIVALENT TO COVER THE  
REMAINING PORTION OF FOREX REQUIREMENTS.

1. ADB DOC. R54-78 DESCRIBING THE TECHNICAL ASSISTANCE  
ACTIVITY WAS POUCHED ADDRESSEES JUNE 26.

2. THE TA IS CONSIDERED ESSENTIAL FOR UNDERTAKING A  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 11114 01 OF 02 302159Z

FISHERY SECTOR STUDY AND FOR PREPARING A HIGH PRIORITY  
INTEGRATED FISHERIES DEVELOPMENT PROJECT IN SUMATRA. TA  
WILL BE UNDERTAKEN IN TWO STAGES. THE FIRST STAGE IN-  
VOLVES A COMPREHENSIVE STUDY OF THE FISHERY SECTOR AND  
WILL ENCOMPASS: (I) A REVIEW OF OVERALL FISHERIES DEVEL-  
OPMENT IN INDONESIA; (II) EXAMINATION OF FISHERIES  
RESOURCES, EXISTING FISHERIES PRACTICES, INFRASTRUCTURE

FACILITIES, MARKETING MECHANISMS, MANPOWER REQUIREMENTS AND FISHERIES INSTITUTIONS IN SUMATRA; (III) FORMULATION OF APPROPRIATE INSTITUTIONAL ARRANGEMENTS PARTICULARLY FOR THE DEVELOPMENT OF THE ARTISANAL FISHERIES; (IV) IDENTIFICATION OF POTENTIAL PROJECTS AND EXAMINATION OF THE PENDING SUMATRA FISHERIES PROJECT PROPOSAL; AND (V) DETERMINATION OF THE RELATIVE PRIORITY OF THE VARIOUS PROJECTS. BASED ON TRIPARTITE DISCUSSIONS AMONG THE GOVERNMENT, THE BANK AND THE TEAM OF EXPERTS WHICH WILL UNDERTAKE THE SECTOR STUDY, THE TEAM WILL, IN THE SECOND STAGE OF THE TECHNICAL ASSISTANCE, PREPARE A FEASIBILITY STUDY OF AN INTEGRATED FISHERIES DEVELOPMENT PROJECT FOR POSSIBLE FINANCING BY THE BANK. UNTIL SUCH TIME AS THE TECHNICAL ASSISTANCE IS COMPLETED, IT IS NOT POSSIBLE TO ESTIMATE THE LIKELY INVESTMENT COST OF THE POSSIBLE FISHERIES DEVELOPMENT PROJECT IN SUMATRA. IF THE PROJECT FORMULATED UNDER THE TECHNICAL ASSISTANCE PROVE FEASIBLE, THE GOVERNMENT INTENDS TO REQUEST THE BANK FOR LOAN FINANCING IN 1979. HOWEVER, AT THIS STAGE, NO COMMITMENT FOR SUBSEQUENT FINANCING HAS BEEN MADE BY THE BANK.

3. A TEAM OF SIX EXPERTS WILL BE PROVIDED BY FAO FOR A TOTAL OF 25 MAN-MONTHS. THE TEAM'S WORK IS EXPECTED TO START IN JULY 1978 AND TO BE COMPLETED IN NOVEMBER 1978. THE TOTAL COST OF THE TECHNICAL ASSISTANCE IS ESTIMATED AT 209,000 DOLLARS EQUIVALENT INCLUDING A FOREIGN EXCHANGE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANILA 11114 01 OF 02 302159Z

COMPONENT OF 185,000 DOLLARS EQUIVALENT AND THE REMAINDER IN LOCAL CURRENCY. IN ACCORDANCE WITH THE BANK/FAO COST-SHARING ARRANGEMENTS, THE BANK WILL FINANCE 98,000 DOLLARS EQUIVALENT AND FAO 87,000 DOLLARS EQUIVALENT OF THE FOREIGN EXCHANGE COST. THE LOCAL CURRENCY COST OF 24,000 DOLLARS EQUIVALENT WILL BE BORNE BY THE GOVERNMENT. THE EXECUTING AGENCY FOR THE TECHNICAL ASSISTANCE WILL BE THE INDONESIAN DIRECTORATE GENERAL OF FISHERIES.

4. FISH IS THE MAJOR SOURCE OF ANIMAL PROTEIN IN THE INDONESIAN DIET AND REPRESENTS ABOUT 70 PERCENT OF TOTAL SUPPLIES. IN 1976, TOTAL FISH PRODUCTION WAS ABOUT 1.4 MILLION M.T., OF WHICH 72 PERCENT WAS DERIVED FROM MARINE FISHERIES AND THE BALANCE FROM INLAND FISHERIES INCLUDING AQUACULTURE. AVERAGE ANNUAL PER CAPITA CONSUMPTION OF FISH IN INDONESIA HAS BEEN VIRTUALLY STATIC IN THE LAST FIVE YEARS, INCREASING FROM ABOUT 9.6 KG. IN 1972 TO ABOUT 10.5 KG. IN 1976.

5. DESPITE ITS POTENTIAL AND RELATIVELY RAPID PRODUCTION

GROWTH IN RECENT YEARS, THE FISHERY SECTOR IS STILL IN THE EARLY STAGE OF DEVELOPMENT CONTRIBUTING RP. 215 BILLION AT CURRENT MARKET PRICES OR ABOUT 1.4 PERCENT TO GDP IN 1976. IT PROVIDES DIRECT EMPLOYMENT FOR ABOUT TWO MILLION PERSONS, INCLUDING PART-TIME EMPLOYEES, OR A TOTAL OF ABOUT 4.7 PERCENT OF THE NATIONAL LABOR FORCE. IN 1976, EXPORT SALES TOTALLED ABOUT 131 MILLION DOLLARS AS COMPARED WITH IMPORTS AT ABOUT 10 MILLION DOLLARS. SHRIMP, CUTTLEFISH AND TUNA AS MAJOR EXPORT ITEMS APPEAR TO HAVE POTENTIAL FOR SUBSTANTIAL EXPANSION IN THE FUTURE.

6. THE POTENTIAL MARINE FISHERIES RESOURCES ARE

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 MANILA 11114 02 OF 02 010938Z

ACTION TRSE-00

INFO OCT-01 ISO-00 EA-12 NEA-11 IO-14 H-02 L-03 PA-02

AID-05 CIAE-00 COME-00 EB-08 FRB-01 INR-10

NSAE-00 ICA-20 XMB-04 OPIC-06 SP-02 LAB-04 SIL-01

OMB-01 NSC-05 SS-15 STR-07 CEA-01 OES-07 INT-05

AGR-01 /148 W

-----127642 010942Z /14/64

R 301124Z JUN 78

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 7936

INFO AMEMBASSY JAKARTA

AMCONSUL MEDAN

UNCLAS SECTION 02 OF 02 MANILA 11114

C O R R E C T E D C O P Y TEXT (PARA 7 GARBLED)

ESTIMATED TO BE ABOUT 5.8 MILLION M.T. ANNUALLY. THIS POTENTIAL IS ALMOST 6 TIMES THE MARINE FISH PRODUCTION OF ABOUT 1.0 MILLION M.T. IN 1976 (OF WHICH ABOUT 90 PERCENT CAME FROM THE ARTISANAL FISHERIES). FISHING OPERATIONS ARE CARRIED OUT MAINLY WITHIN A FEW MILES FROM THE COAST BY TRADITIONAL FISHING METHODS AND MOSTLY AT A SUBSISTENCE LEVEL. THE MARINE RESOURCES WOULD ALLOW A CONSIDERABLE INCREASE IN CATCH IN VARIOUS FISHING AREAS MAINLY BEYOND TEN MILES FROM THE SHORE. BETWEEN 1972 AND 1976, ALTHOUGH THE NUMBER OF MOTORIZED VESSELS INCREASED, THE PREPONDERANCE OF SMALL TRADITIONAL FISHING BOATS REMAINED NOTICEABLE. IN 1976, THERE WERE 243,000 FISHING VESSELS, CONSISTING OF 228,000 NON-MOTORIZED AND 15,000 MOTORIZED.

7. IN SUMATRA, ABOUT 172,000 FISHERMEN OPERATE ABOUT 53,000 SMALL FISHING VESSELS, OF WHICH ABOUT 11 PERCENT ARE MOTORIZED. IN 1976, TOTAL FISH PRODUCTION IN SUMATRA WAS ESTIMATED AT OVER 0.5 MILLION M.T. OR ABOUT 36 PERCENT OF THE TOTAL NATIONAL PRODUCTION. IN THE SAME YEAR, UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MANILA 11114 02 OF 02 010938Z

EXPORT SALES FROM SUMATRA AMOUNTED TO 32 MILLION DOLLARS OR 24 PERCENT OF THE TOTAL EXPORT OF FISH AND FISHERY PRODUCTS. CONSIDERABLE MARINE FISHERIES RESOURCES PARTICULARLY PELAGIC SPECIES EXIST ALMOST UNTAPPED IN THE WATERS OFF THE WEST COAST OF SUMATRA. INLAND FISHERIES POTENTIAL INCLUDING AQUACULTURE IS MOSTLY CONCENTRATED IN SOUTH SUMATRA.

8. EXECUTING AGENCY FOR THE TECHNICAL ASSISTANCE WILL BE THE DIRECTORATE GENERAL OF FISHERIES (DGF). DGF HAS BEEN INVOLVED IN THREE PREVIOUS BANK-FINANCED FISHERIES PROJECTS IN INDONESIA.

9. THE FAO TEAM'S WORK IS EXPECTED TO START IN JULY 1978 AND TO BE COMPLETED IN NOVEMBER 1978 WITHIN AN OVERALL TIME-FRAME OF ABOUT FIVE MONTHS, INVOLVING ABOUT 25 MAN-MONTHS OF SERVICES. THE STUDY WILL BE CARRIED OUT IN TWO STAGES. THE FIRST STAGE, COVERING AN EXAMINATION OF THE FISHERY SECTOR, FORMULATION OF APPROPRIATE INSTITUTIONAL ARRANGEMENTS PARTICULARLY FOR THE ARTISANAL FISHERIES, IDENTIFICATION OF POTENTIAL PROJECTS, EXAMINATION OF THE PENDING SUMATRA FISHERIES PROJECT AND DETERMINATION OF THEIR RELATIVE PRIORITY, WILL BE COMPLETED WITHIN THE FIRST TWO AND A HALF MONTHS. THE SECOND STAGE, COVERING THE DETAILED FEASIBILITY STUDY FOR A VIABLE PROJECT SUITABLE FOR THE BANK'S CONSIDERATION, WILL BE CARRIED OUT IN THE FOLLOWING TWO AND A HALF MONTHS BASED ON THE TEAM'S FINDINGS AND TRIPARTITE DISCUSSIONS BETWEEN THE BANK, THE GOVERNMENT AND THE TEAM. THE TEAM'S DRAFT REPORT, AFTER COMPLETION OF THE FIRST STAGE, WILL BE MADE AVAILABLE TO THE GOVERNMENT AND THE BANK TWO WEEKS IN ADVANCE OF THE INTERIM TRIPARTITE DISCUSSION. THE FINAL DRAFT REPORT, AFTER THE COMPLETION OF THE SECOND STAGE, WILL ALSO BE UNCLASSIFIED

UNCLASSIFIED

PAGE 03 MANILA 11114 02 OF 02 010938Z

MADE AVAILABLE TWO WEEKS IN ADVANCE OF THE FINAL TRIPARTITE DISCUSSION. IF THE PROJECT TO BE PREPARED UNDER THE TA MATERIALIZES, IT IS EXPECTED TO HELP SMALL-SCALE

FISHERMEN AND FISH FARMERS IMPROVE THEIR SOCIO-ECONOMIC  
CONDITION, PROVIDE EMPLOYMENT OPPORTUNITIES AND INCREASE  
FISH PRODUCTION FOR DOMESTIC CONSUMPTION.

10. ADB PRESIDENT, ACTING PURSUANT TO AUTHORITY DELEGATED  
TO HIM UNDER PARA. 17 OF ADB DOC. R51-77, MAY 20, 1977,  
HAS APPROVED THE TA GRANT IN ACCORDANCE WITH THE COST-  
SHARING ARRANGEMENTS AGREED UPON BETWEEN THE BOARD AND  
FAO. THE BANK'S TA GRANT IS SUBJECT TO REIMBURSEMENT  
ARRANGEMENTS IN THE EVENT THE TA RESULTS IN INVESTMENT  
FINANCING FROM EXTERNAL SOURCES OTHER THAN THE BANK.  
WESTCOTT

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, FISHERIES, DEVELOPMENT PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978MANILA11114  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780271-0763  
**Format:** TEL  
**From:** MANILA USADB  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t1978064/aaaaacqh.tel  
**Line Count:** 236  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** f39d4685-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION TRSE  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 29 mar 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2279863  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB TECHNICAL ASSISTANCE TO INDONESIA FOR SUMATRA FISHERIES DEVELOPMENT PROJECT SUMMARY: ADB PRESIDENT HAS APPROVED 98,000 DOLLAR  
**TAGS:** EAID, EFIN, ID, ADB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/f39d4685-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014